

FOR IMMEDIATE RELEASE

October 31, 2005

**CONTACT: Mary Hayes Finch
334-242-5610**

Medicaid Receives Approval for Plan to Improve Access to Specialty Care

MONTGOMERY – Alabama’s Medicaid Program received federal approval to increase the rates paid to physicians at both teaching hospitals and within the community. Funding for the enhanced payment rates will be provided through a cooperative relationship with the University of Alabama and the University of South Alabama.

“Medicaid has made great strides in improving access to primary care through the implementation of the new and improved Patient 1st program last year. Patient 1st is designed to ensure the continuation of access to primary care for Medicaid recipients. However, Patient 1st does not address access to specialty care providers. This partnership allows Alabama to improve access to medically necessary specialty care provided through both teaching hospitals and for community physicians in a budget neutral manner for the Agency,” said Commissioner Carol Herrmann.

“This innovative public-private partnership improves access to necessary health services and does it without requiring additional state funding,” said Governor Bob Riley. “Like our Patient 1st initiative, this effort tackles a persistent problem with a new and innovative approach.”

The public state teaching hospitals have offered to transfer state funds to the Medicaid program. The amount of the enhanced rates available will vary each year based on the amount of matching funds available to Medicaid through the University of Alabama and the University of South Alabama.

END